



Request for City Council Committee Action From the Office of the City Coordinator

Date April 22, 2002

To Community Development Committee
Ways & Means/ Budget Committee
Transportation and Public Works Committee

Submitted by: Kim W. Havey, Director, Minneapolis Empowerment Zone, 673-5415

Approved by: John Moir, City Coordinator

Subject Acceptance and Appropriation of a \$2,900,000 State of Minnesota Bond Grant for Public Infrastructure Improvements in South East Minneapolis Industrial (SEMI) Area

Presenters in Committee Kim W. Havey, Director, Minneapolis Empowerment Zone

Recommendation

- (1) Accept grant and increase appropriation and revenue estimate for Public Works (Fund 4100 937 9372) by \$2,900,000 for the South East Minneapolis Industrial (SEMI) Area; and
- (2) Authorize the proper city officers to execute a Grant Agreement with the State of Minnesota, setting forth the terms and conditions of the award.

Financial Impact (Check those that apply)

No financial impact or Action is within current budget.

Action requires an appropriation increase to the Capital Budget

Action requires an appropriation increase to the Operating Budget

Action provides increased revenue for appropriation increase

Action requires use of contingency or reserves

Other financial impact (Explain):

Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information

The 2000 Legislature allocated \$2,900,000 in bond proceeds to the City of Minneapolis for public infrastructure improvements in the South East Minneapolis Industrial (SEMI) Area. This action formally accepts the grant and appropriates the funds to the Department of Public Works.

These funds will support design and construction of infrastructure in and around the West Granary Pond area of SEMI. Improvements will include a stormwater pond and related drainage system, landscaping, sanitary sewer, paving, etc.

The grant requires a 100% match which has been identified as follows: a \$1,000,000 grant to MCDA from Mississippi Watershed Management Organization (MWMO) for water quality improvement in SEMI, a \$1,000,000 grant to MCDA from the Empowerment Zone for SEMI land acquisition; and \$900,000 in MSA funds allocated to SEMI in the 2003 Public Works budget.

In addition to the match requirement, the grant agreement also obligates the City to notify the appropriate State officials before construction begins, to supply or obtain sufficient funds to complete the project, to own and operate the public infrastructure improvements and to verify compliance with this provision on an annual basis, to comply with all applicable local, state and federal laws, and preserve the tax exempt status of the bonds by following the G.O. Compliance Legislation and Commissioner's Order. Staff believes these requirements are acceptable. Sufficient funds have been identified to complete the current phase of SEMI infrastructure and assessments will be used to ensure ongoing operation and maintenance of the improvements.